

March 10, 1980

LB 666

the Legislature, and the bill is here, LB 795. I am confident it will be heard in due course, and if, in fact, Senator Schmit were concerned that it would not be heard in due course he could always request that it be placed on Special Order, and I know the Speaker has been very generous in Special Order allowances, so that the bill itself could be well ventilated and articulated before this body. But in the event that this body is in a rush to continue the long standing process of exempting a favored few from taxation, let me speak to the merits of the amendment. As I understand the original bill, LB 795, the purpose was to eliminate from the sales tax the tax on grain railroad cars, and in the Revenue Committee again the majority of members of the committee decided that it would be better if we broadened the amendment so that all rail cars would be exempt from the sales tax, not just grain rail cars. Now I cannot say if that is what Senator Schmit has done this morning with his amendment because I have not seen the amendment, but if he has he should be mindful of the fact that this amendment will eliminate from sales taxation the tax on all railway cars not just grain cars, and there is a considerable amount of private industry in this state that does buy rail cars. We understand that the packing industry buys its own rail cars for its own purposes, and that is a sizeable industry. And, of course, now the grain dealers and the grain merchants will want to buy their own cars or to lease their own cars and to use them as they see fit, and they, too, will be exempt from taxation. If you look at the fiscal note on LB 795, which was Senator Schmit's bill that can be heard by this body, you will discover that our Department of Revenue is not able to give a good estimate as to the thousands of dollars that are to be lost to our tax base by this kind of exemption. The reason why I can't give a good estimate is because as Senator Vickers says this is a fairly new use to be made of grain delivery, that is, it is relatively new in this state for cooperatives, elevators and the like to buy their own grain cars or to lease their own grain cars for their own special purposes, and thus we don't have a good sense as to how many dollars, in fact, will be lost. But without any question there will be money again lost to our state coffers, and as you know when the money itself is lost, it is everybody else that picks up the slack. It is the traditional income taxpayer that is going to have to pick up the slack. It is the food sales taxpayer that is going to have to pick up the slack. And I think that we have got to quit picking up the slack. I understand that there is, that there truly is a shortage of grain cars that, in fact, at the time when the crops are in and